

**01056**

**1989/06/02**

CONFIDENTIAL

EXCISE

SECRETARY'S MORNING SUMMARY FOR JUNE 2, 1989

1. CHINA: STALEMATE CONTINUES

TWO WEEKS AFTER DECLARING MARTIAL LAW IN BEIJING, HARD-LINERS REMAIN UNABLE TO RESOLVE THE LEADERSHIP CRISIS OR TO REMOVE STUDENTS FROM TIANANMEN SQUARE. IN ADDITION TO THE IMMEDIATE PROBLEMS OF IMPOSING ORDER AND CLARIFYING THE LINES OF AUTHORITY, LEADERS ALSO FACE THE QUESTION OF A SUCCESSOR TO DENG XIAOPING.

THE PARTY REPORTEDLY WILL HOLD A CENTRAL COMMITTEE PLENUM ON JUNE 5. RUMORS OF A PLENUM HAVE CIRCULATED SINCE MID-MAY, BUT SO FAR THE LEADERSHIP HAS ONLY HELD "ENLARGED" MEETINGS OF THE POLITBURO, AN EXTRA-LEGAL FORUM DENG AND OTHER ELDERS CAN PACK WITH THEIR SUPPORTERS.

61, AS

19/DEC/89 MDZ Dec. 8/51/83

DEPARTMENT OF STATE	( ) RELEASE	( ) DECLASSIFY	MR Cases Only
	(X) EXCISE	(X) DECLASSIFY	EO Citations
	( ) DENY	( ) IN PART	
	( ) DELETE	( ) Non-Responsive Info	

OFFICIALS HAVE ORDERED WORKERS AND FARMERS TO PARTICIPATE IN RALLIES IN THE BEIJING SUBURBS TO SHOW SUPPORT FOR PREMIER LI PENG AND THE DECLARATION OF MARTIAL LAW. THE BEIJING CITY GOVERNMENT YESTERDAY EXPANDED PRESS RESTRICTIONS, PROHIBITING COVERAGE OF STUDENT DEMONSTRATORS AND REQUIRING THAT ALL OTHER REPORTING RECEIVE PRIOR APPROVAL. STUDENTS ATTEMPTED TO STAGE A COUNTER-DEMONSTRATION AT ONE PRO-REGIME RALLY YESTERDAY, CLASHING WITH ORGANIZERS. STUDENTS HAVE ALSO SAID THEY EXPECTED THE "GODDESS OF DEMOCRACY" STATUE IN TIANANMEN

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SQUARE TO ANGER TOP LEADERS AND PROMPT A RESPONSE. THE STUDENTS MAY HOPE AN OVERREACTION BY AUTHORITIES WILL BREATHE NEW LIFE INTO THEIR FLAGGING MOVEMENT.

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2. CHINA/ISRAEL:

CHINA AND ISRAEL ARE GRADUALLY EXPANDING THEIR PUBLIC RELATIONSHIP. TEL AVIV LOOKS FORWARD TO THE ESTABLISHMENT OF DIPLOMATIC RELATIONS; BEIJING, ATTUNED TO ARAB SENSITIVITIES, WILL MODULATE THE PACE OF IMPROVING RELATIONS TO PROGRESS IN THE MIDDLE EAST PEACE PROCESS.

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FOLLOWING THE ARAB, SOVIET LEAD CHINA CONTINUES TO LIMIT ITS POLITICAL TIES TO ISRAEL TO CONFORM WITH ARAB INTERESTS AND ITS PERCEPTIONS OF MOSCOW'S INITIATIVES IN THE MIDDLE EAST. IT IS UNLIKELY CHINA WILL MOVE ANY FASTER THAN THE MODERATE ARAB STATES TO GRANT ISRAEL FULL DIPLOMATIC RECOGNITION. BUT CHINA HAS IN RECENT MONTHS EXPANDED PRIVATE AND CULTURAL TIES TO ISRAEL AND UPGRADED DIPLOMATIC CONTACTS.

ACTIVITY

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AS IF TO UNDERSCORE THAT POINT, CHINESE JOURNALISTS VISITED ISRAEL FOR THE FIRST TIME ON MAY 12--INTERVIEWING PERES AND FOREIGN MINISTER ARENS--EVEN AS THE FIRST ISRAELI JOURNALIST WAS GIVEN OFFICIAL CREDENTIALS TO OPERATE OUT OF BEIJING.

AN AGREEMENT IN MARCH ESTABLISHED A CHINESE TOURISM OFFICE IN TEL AVIV AND AN ISRAELI SCIENCE OFFICE IN BEIJING. IN APRIL KNESSET MEMBER YAIR TZABAN, CHAIRMAN OF THE UNITED WORKERS PARTY [MAPAM], MADE AN OFFICIAL VISIT TO CHINA, THE SECOND TRIP EVER TO THE PRC BY A REPRESENTATIVE OF A ZIONIST PARTY.

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NEW PHASE IN SINO-ISRAELI RELATIONS  
POLITICAL, CULTURAL, AND ECONOMIC TIES BETWEEN ISRAEL AND  
CHINA SEEM INCREASINGLY LIKELY [

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BUT SENSITIVITY TO ARAB  
INTERESTS WILL ASSURE THAT BEIJING CAREFULLY MODULATES  
ITS PUBLIC RELATIONSHIP WITH TEL AVIV. PROGRESS ON A  
MIDDLE EASTERN SETTLEMENT WILL DETERMINE WHEN THE CHINESE  
WILL BE PREPARED TO TAKE THE STEP OF NORMALIZING  
RELATIONS WITH ISRAEL. [SECRET/NOFORN/NOCONTRACT]

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